

SOUTHDOWN PROJECT - POWER REQUIREMENTS

785. Hon BARRY HOUSE to the Leader of the House representing the Minister for Energy:

- (1) What is the formula used to determine the cost of a new transmission line to the Southdown project?
- (2) What is the estimated total cost of the transmission line from Muja to Wellstead?
- (3) What is the cost of the 100-megawatt power plant required to supply this project in Muja?
- (4) Will it be a dual-fired power plant; that is, gas and coal?
- (5) What will the government contribute to the new transmission line?
- (6) What electricity pricing arrangements will the government enter into with Grange Resources Ltd as a contestable customer in power supply for the Southdown project?
- (7) What are the final power requirements for this project?

Hon KIM CHANCE replied:

I thank Hon Barry House for the question. This answer is rather long. I table the answer and seek leave for its incorporation into *Hansard*.

Leave granted.

[See paper 1899.]

The following material was incorporated -

I thank the Hon. Member for some notice of this question. The Minister for Energy has provided the following response:

- (1) The cost of the new transmission line that will be allocated to the Southdown will be on the basis of relative capacity usage between Grange Resources and other Western Power network users. If no other users are identified, then Grange Resources would be required to fund the full cost of the line.

The cost allocated to Grange would be recovered as a combination of a capital contribution and ongoing network access charges.
 - (2) The estimated cost of the Muja-Southdown (Wellstead) line is \$175M including work at Muja substation and the cost to establish Southdown substation. This is a budgetary cost estimate ($\pm 30\%$).

Note: a figure of \$250M has been quoted as the total estimated cost for the Grange Resources electricity supply. The difference between the Muja-Wellstead line cost (\$175M) and the total cost is required to construct a third 132kV line between Kojonup and Albany. This line is required to supply expected load growth in the Albany area and the Grange Resources load proposed for the Port of Albany (about 7 MW). This line was in Western Power's network development plans prior to the Grange Resources proposal and will need to be brought forward if the Southdown project proceeds. If it is brought forward to meet Grange's needs Grange will contribute an appropriate proportion of the cost of the new line.
 - (3)-(4) It is not known how Grange Resources intends to source power for the project.
 - (5) No. See (1).
 - (6) The Government does not intend to enter into any electricity pricing arrangements with Grange Resources. Grange Resources will need to source electricity on commercial terms from the electricity market.
 - (7) The final power requirements are not known and may be confidential.
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